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NATIONAL RECOVERY ADMINISTRATION

DIVISION OF REVIEW

EVIDENCE STUDY

NO. 19

OF .

INFANT'S AND CHILDREN'S WEAR INDUSTRY

Prepared by

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JULY 26, 1935

PRELIMINARY DRAFT

(NOT FOR RELEASE: FOR USE IN DIVISION ONLY)

THE EVIDENCE STUDY SERIES

The EVIDENCE STUDIES were originally planned as a means of gathering evidence bearing upon various legal issues which arose under the National Industrial Recovery Act.

These studies have value quite aside from the use for which they were originally intended. Accordingly, they are now made available for confidential use within the Division of Review, and for inclusion in Code Histories.

The full list of the Evidence Studies is as follows:

- | | |
|-------------------------------------|---|
| 1. Automobile Manufacturing Ind. | 23. Mason Contractors Industry |
| 2. Boot and Shoe Mfg. Ind. | 24. Men's Clothing Industry |
| 3. Bottled Soft Drink Ind. | 25. Motion Picture Industry |
| 4. Builders' Supplies Ind. | 26. Motor Bus Mfg. Industry (Dropped) |
| 5. Chemical Mfg. Ind. | 27. Needlework Ind. of Puerto Rico |
| 6. Cigar Mfg. Industry | 28. Painting & Paperhanging & Decorating |
| 7. Construction Industry | 29. Photo Engraving Industry |
| 8. Cotton Garment Industry | 30. Plumbing Contracting Industry |
| 9. Dress Mfg. Ind. | 31. Retail Food (See No. 42) |
| 10. Electrical Contracting Ind. | 32. Retail Lumber Industry |
| 11. Electrical Mfg. Ind. | 33. Retail Solid Fuel (Dropped) |
| 12. Fab. Metal Prod. Mfg., etc. | 34. Retail Trade Industry |
| 13. Fishery Industry | 35. Rubber Mfg. Ind. |
| 14. Furniture Mfg. Ind. | 36. Rubber Tire Mfg. Ind. |
| 15. General Contractors Ind. | 37. Silk Textile Ind. |
| 16. Graphic Arts Ind. | 38. Structural Clay Products Ind. |
| 17. Gray Iron Foundry Ind. | 39. Throwing Industry |
| 18. Hosiery Ind. | 40. Trucking Industry |
| 19. Infant's & Children's Wear Ind. | 41. Waste Materials Ind. |
| 20. Iron and Steel Ind. | 42. Wholesale & Retail Food Ind. (See No. |
| 21. Leather | 43. Wholesale Fresh Fruit & Veg. 31) |
| 22. Lumber & Timber Prod. Ind. | |

In addition to the studies brought to completion, certain materials have been assembled for other industries. These MATERIALS are included in the series and are also made available for confidential use within the Division of Review and for inclusion in Code Histories, as follows:

- | | |
|------------------------------------|---|
| 44. Wool Textile Industry | 49. Household Goods & Storage, etc. (Drop- |
| 45. Automotive Parts & Equip. Ind. | 50. Motor Vehicle Retailing Trade Ind. ped) |
| 46. Baking Industry | 51. Retail Tire & Battery Trade Ind. |
| 47. Canning Industry | 52. Ship & Boat Bldg. & Repairing Ind. |
| 48. Coat and Suit Ind. | 53. Wholesaling or Distributing Trade |

L. C. Marshall
Director, Division of Review

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THE INFANTS' AND CHILDREN'S WEAR INDUSTRY

Foreword

Published government data regarding the Infants' and Children's Wear Industry are extremely meagre. This is due largely to the recent growth of the Industry and to the fact that Federal Bureaus such as the Bureau of the Census and the Bureau of Labor Statistics have not recognized it as a separate Industry.

Complete Census data pertaining to the Industry as defined by the Code are not separately reported, but selected groups of products have been combined from the Census reports on the "Men's Clothing" and the "Women's Clothing" Industries to obtain total value of production figures which are roughly - but not exactly - comparable with the Industry as defined by the Code. For other topics upon which information is called for by the outline, Census data are not sufficiently broken down to allow of recombination to give totals comparable with the scope of the Code.

Special Bureau of Labor Statistics tabulations covering labor conditions in the Industry as defined by the Code, for the years 1933 and 1934, are presented in Chapter II.

Much of the information called for, however, could be obtained only from the Records of the Code Authority, and in such cases these have consequently been used.

CHAPTER I

DESCRIPTION AND SCOPE

History

According to Mr. Max Zuckerman, for many years associated with the Industry and now President of the Trade Association, as recently as 1915 there was no Infants' and Children's Wear Industry worthy of being designated as an Industry, for there were few out and out manufacturers of infants' and children's wear.

Garments for infants and children were usually made as secondary products by manufacturers of adult apparel. This activity not only provided a profitable use for remnants and short ends that were left from the manufacture of the primary products but also enabled the manufacturer to fill in the period between the regular seasons for producing adult clothing.

During the early years of the Industry the big problem was that of creating a market for its products. Department stores such as Best and Company were the first to establish regular departments for the display and sale of this merchandise. This market was satisfactory in that these stores catered to a clientele that could afford to pay any price so long as the goods offered pleased them, but the manufacturers who had begun to specialize in infants' and children's wear soon realized that if the Industry was to expand it was necessary to reach the "masses" of the people.

The tremendous number of patterns for infants' and children's clothes that were being sold by such firms as Butterfield and McCall attests the fact that the making of these clothes in the home was the custom. To induce the mother to buy ready-made clothes for her children, the merchandise not only had to be priced at a level that she could afford to pay but also had to be displayed in a prominent and attractive manner. With this objective in view interested persons, particularly one George F. Earnshaw, set about promoting and selling the idea of separate departments for infants' and children's wear to the department stores of the country. Through the successful efforts of these men the habit of buying rather than making infants' and children's clothes became the general rule. As a result of this growth of the market the Industry has grown from approximately 40 firms in 1915 to 1,363 in 1934.

To maintain and expand this market department stores are constantly featuring infants' and children's wear to attract mothers. The present promotion method by manufacturers is to secure the names of prominent children such as Shirley Temple, Freddy Bartholemew, and the Dionne Quintuplets as brand names for children's clothes.

Number of Plants

According to the records of the Infants' and Children's Wear Code Authority there were 1,434 plants manufacturing this product in 1934. Geographically the Industry is highly concentrated in New York, New Jersey, and Pennsylvania with 798, 207, and 186 plants respectively in these states. Table I shows the number of plants in each state.

TABLE I
NUMBER OF PLANTS, 1934
BY STATES

State	Number of Plants
United States Total	1,434
Alabama	1
California	48
Colorado	3
Connecticut	22
Delaware	6
District of Columbia	1
Illinois	31
Indiana	9
Kentucky	1
Louisiana	3
Maine	1
Maryland	8
Massachusetts	39
Michigan	5
Minnesota	6
Mississippi	2
Missouri	10
Nebraska	1
New Jersey	207
New York	798
Ohio	2
Oklahoma	1
Oregon	1
Pennsylvania	186
Rhode Island	2
South Carolina	1
Tennessee	2
Texas	22
Vermont	1
Virginia	5
Washington	2
Wisconsin	1

Source: Code Authority Records.

Number of Concerns

The Code Authority records also show these plants to be owned by 1,363 firms. Generally speaking, each firm operated only one plant, 1,316 of the firms being of this nature. Table II shows the members of the Industry classified according to number of plants in 1934, and also Code Authority estimates as to total number of firms and total number of plants for the years 1929, 1931, and 1933.

TABLE II

MEMBERS OF THE INDUSTRY CLASSIFIED ACCORDING TO NUMBER OF PLANTS, 1929, 1931, 1933, AND 1934

Number of Plants	Number of Firms with Specified Number of Plants			
	1929	1931	1933	1934
Total Number of Firms	1,420	1,395	1,350	1,363
Total Number of Plants	1,455	1,415	1,400	1,434
One Plant Only				1,316
Two Plants				36
Three Plants				5
Four Plants				4
Five Plants				3

Source: 1934 data from Code Authority Records; other data are Code Authority estimates.

Capital Investment

Total capital investment in the Industry in 1934 is estimated by the Code Authority at \$33,000,000. Similar estimates of capital investment for some prior years are shown in Table III.

TABLE III

ESTIMATED CAPITAL INVESTMENT IN THE INDUSTRY 1929, 1931, 1933 AND 1934

Year	Amount of Capital Investment
1929	\$37,000,000
1931	32,000,000
1933	33,000,000
1934	33,000,000

Source: Code Authority Estimates.

Machinery and Productive Capacity

It is extremely difficult even to estimate reliably the value of machinery in this Industry. Indications are that possibly \$2,000,000 represents the initial cost of machinery now in use, and that about \$500,000 is spent annually by the Industry on replacements and renewals.

Evidence regarding the proportion of the available equipment in use is extremely scanty. In the peak season probably every available machine is manned, while in the off season only three quarters or perhaps less of the equipment may be in use.

Competing Products

The products of the Infants' and Children's Wear Code are in direct competition with some of those manufactured under the Coat and Suit and Knitted Outerwear Codes. According to the Code Authority of the Infants' and Children's Wear Industry, the value of these competitive products was \$43,000,000 and \$35,000,000 in 1933 and 1934 respectively.

CHAPTER II

LABOR STATISTICS

Employment

Total average employment for 1934 amounted to 43,964 workers, according to a Code Authority estimates based on its records covering 80 per cent of the concerns in the industry. New York State shows the highest concentration with 19,146 workers. Pennsylvania is also an important employment center with 10,186 workers. Table IV shows employment in other states for 1934.

A slight improvement in employment under the Code, and a greater gain in payrolls are shown in Table V. The reduction in average hours per week is reflected in a lower index of man-hours for 1934.

TABLE IV
ESTIMATED AVERAGE NUMBER OF EMPLOYEES,
BY PRINCIPAL STATES, 1934 a/

State	Number of Employees
United States Total	43,964
California	514
Connecticut	1,026
Maryland	654
Massachusetts	1,562
New Jersey	7,136
New York	19,146
Pennsylvania	10,186
Rhode Island	600
Texas	670
Virginia	472
Other States	30,088

Source: Code Authority Records.

a/ Based on returns from 80 per cent of the concerns in the industry.

TABLE V

INDEX OF FACTORY EMPLOYMENT, PAYROLLS AND MAN-HOURS
1933 and 1934 a/
(1933 = 100)

Year and Month <u>b/</u>	Employment <u>c/</u>	Payrolls <u>c/</u>	Man-Hours <u>d/</u>
1933			
January	88.3	83.6	111.3
February	103.3	100.2	133.6
March	104.4	83.3	84.8
April	103.6	93.3	108.0
May	110.4	103.3	114.5
June	106.4	104.4	106.5
July	84.1	89.8	90.0
August	110.9	119.7	109.2
September	112.0	130.6	109.1
October	103.2	115.6	94.9
November	87.8	89.1	71.2
December	75.6	75.1	65.8
Average	100.0	100.0	100.0
1934			
January	90.4	102.5	74.6
February	104.3	130.2	96.7
March	106.3	126.6	96.5
April	111.1	134.8	102.1
May	112.2	140.4	108.1
June	104.0	124.4	92.9
July	97.3	102.0	75.3
August	104.2	135.3	91.2
September	95.3	109.5	71.7
October	102.6	127.4	82.3
November	98.5	119.1	81.4
December	81.9	118.1	81.4
Average	101.3	120.4	87.9

Source: Unpublished data secured by the Bureau of Labor Statistics in cooperation with the Division of Research and Planning, NRA.

- a/ Reporting establishments considered to be almost completely covered by the Infants' and Children's Wear Code.
- b/ Figures reported were for the payroll period nearest the 15th of the month.
- c/ Based on a representative sample covering an average of 23 establishments and about 2,000 employees in 1933. The sample was considerably larger in 1934.
- d/ Computed: Index of Employment times average hours per week reduced to 1933 = 100.

Wages

Reliable data regarding earnings of employees prior to 1933 are not available. Mr. Maxwell Copeloff, Chairman of the Code Authority, Mr. Max Zuckerman, President of the United Infants' and Children's Wear Association and Mr. Charles Baker, all of whom have been intimately associated with the Industry for a number of years, agree in stating that in the very depths of the depression, immediately prior to the enactment of the National Industrial Recovery Act, average wages were in the neighborhood of 20 cents per hour and \$3.00 per week. Wages in the latter months of 1934 according to Code Authority data were slightly over 43 cents per hour for a work-week somewhat less than 40 hours per week.

Average hourly wage rates, average weekly earnings and average hours per week by months for 1933 and 1934 are shown in Table VI. Attention is called to the increase in average hourly wage rates and the decrease in the average hours per week after the approval of the Code in March 1934. The increase in the hourly wage rate is reflected in the average weekly earnings in the Industry.

According to Code Authority records, based on a return from 80 per cent of the concerns, the total annual payroll for 1934 amounted to \$19,415,966. Again, New York and Pennsylvania were the important areas with \$9,340,448 and \$3,748,560 respectively. Table VII shows distribution of annual wages by states for 1934.

TABLE VI

AVERAGE HOURLY WAGE RATES, AVERAGE WEEKLY
WAGES AND AVERAGE HOURS PER WEEK a/

Year and Month <u>b/</u>	Average Hourly Wage Rate in Cents <u>c/</u>	Average Weekly Wage in Dollars <u>d/</u>	Average Hours Per Week <u>c/</u>
1933			
January	16.9	12.92	48.6
February	19.1	12.08	48.7
March	38.7	10.63	31.2
April	25.2	11.55	40.0
May	28.2	12.33	39.8
June	24.7	12.33	38.4
July	25.3	12.03	36.7
August	38.2	13.54	37.8
September	36.4	14.64	37.4
October	37.6	14.26	35.3
November	44.4	12.68	31.4
December	39.4	12.83	34.3
Average	30.3	12.56	38.3
1934			
January	41.2	14.22	31.7
February	37.4	13.61	35.6
March	37.7	14.91	34.7
April	38.9	14.42	35.3
May	39.1	14.65	37.0
June	40.1	14.26	34.3
July	41.0	12.45	29.9
August	41.0	14.13	33.6
September	45.5	13.39	28.7
October	46.1	14.13	30.8
November	41.3	13.36	31.4
December	41.9	14.33	33.3
Average	40.9	13.96	33.0

Source: Unpublished data secured by the Bureau of Labor Statistics in co-operation with the Division of Research and Planning, NRA.

- a/ Reporting establishments considered to be almost completely covered by Infants' and Children's Wear Code.
- b/ Figures reported were for payroll period nearest the 15th of the month.
- c/ Based upon a representative sample covering an average of 6 establishments and nearly 450 employees in 1933. The sample was much larger in 1934.
- d/ Based upon a representative sample covering an average of 23 establishments and about 2,000 employees in 1933. The sample was considerably larger in 1934.

TABLE VII
TOTAL ANNUAL WAGES, BY STATES, 1934

State	1934
United States Total	\$19,415,966
California	219,322
Connecticut	391,570
Delaware	37,284
Illinois	107,144
Indiana	63,468
Kentucky	67,040
Louisiana	27,288
Maine	8,532
Maryland	254,946
Massachusetts	785,008
Michigan	66,044
Minnesota	55,974
Mississippi	23,484
Missouri	138,638
New Jersey	2,748,560
New York	9,340,448
Ohio	47,280
Oklahoma	356
Pennsylvania	4,285,554
Rhode Island	272,412
South Carolina	51,026
Tennessee	194
Texas	211,324
Vermont	41,544
Virginia	162,634
Washington	4,534
Wisconsin	4,658

Source: Code Authority Records based on returns from 80 per cent of the Industry.

CHAPTER III

MATERIALS: RAW AND SEMI-PROCESSED

Materials and Their Sources

Exact statistical evidence is unobtainable on many important phases of the Infants' and Children's Wear Industry. The following statements are based on estimates prepared by the Chairman of the Code Authority, after consultation with the Secretary of the Trade Association and other officials of the Code Authority.

Cloth is the principal material used in the manufacture of infants' and children's wear. Cotton cloth is the most important as it constitutes about 50 per cent of the total cloth consumption of the Industry. The various other types of material represent about the following proportion of the total amount of cloth consumed, rayon 25 per cent, wool 13 per cent, silk 10 per cent, and linen 2 per cent.

The Cotton from which cotton cloth is manufactured is grown in the Southern States. It is processed into cloth in cotton mills. The South Atlantic States of Georgia, Alabama, and North and South Carolina, and the New England States of Massachusetts and New Hampshire together with New Jersey and Pennsylvania are important locations of such mills.

Cellulose fibre which is found rather widely distributed geographically because of its many forms such as wood, cotton linters etc. is the basic raw material used in the preparation of rayon yarn. New Jersey, Pennsylvania, Delaware, Maryland, together with many of the cotton textile centers mentioned above are important rayon-weaving areas.

CHAPTER IV

PRODUCTION AND DISTRIBUTION

Value of Product

Table VIII compiled from Census of Manufactures data, shows production of important products of infants' and children's wear for the years 1929, 1931, and 1933. For the classifications shown production had declined from a total value of \$220,680,000 in 1929 to \$92,942,000 in 1933. Children's dresses are apparently the most important item in the industry, \$53,154,000 worth having been produced in 1929. Boys' play suits and children's coats were next in importance amounting to over \$34,500,000 each for that year. Later years show no important shifts in the relative importance of products produced in this industry.

Geographical Distribution

Table IX and X show breakdowns for principal states of production by important items for the years 1929 and 1931. Noteworthy is the concentration of production in the states of New York and Pennsylvania.

TABLE VIII

TOTAL VALUE OF PRODUCTION, BY PRODUCT GROUPS
(In Thousands)

Product Group	1929	1931	1933
Total <u>a/</u>	\$220,681	\$152,229	\$92,942
Boys' suits	34,834	21,720	19,902 <u>b/</u>
Boys' play suits	15,862	10,498	<u>c/</u>
Children's dresses	53,154	37,588	29,406
Children's coats	34,548	20,288	13,231
Children's suits	11,946	11,022	3,695
Children's raincoats		487	<u>c/</u>
Other outerwear for children	5,628 <u>d/</u>	2,281	<u>c/</u>
Underwear and nightwear for children	10,380	7,015	5,005 <u>e/</u>
Infants' clothing <u>f/</u>	16,178	11,945	7,649
Boys' blouses	7,807	4,738	<u>c/</u>
Juniors' shirts	1,668	1,766	<u>c/</u>
Boys' separate coats	<u>c/</u>	795	800 <u>g/</u>
Boys' separate pants and knickers	16,028	15,442	9,899 <u>h/</u>
Boys' overcoats and reefers	12,648	6,488	3,355 <u>g/</u>
Boys' separate vests	<u>c/</u>	156	<u>c/</u>

Source: Census of Manufactures "Men's Clothing," and "Women's Clothing." Includes only establishments whose products are valued at \$5,000 or more annually. The groups of items listed in this table are somewhat more inclusive than the Code definition.

a/ Totals cannot be compared because of inconsistencies as explained in following notes.

(Cont'd on following page)

TABLE VIII (Cont'd)

- b/ Includes cotton and other than cotton boys' suits and is not strictly comparable with earlier years.
- c/ Not available.
- d/ Includes children's raincoats
- e/ Includes underwear only, as nightwear was not given.
- f/ Combination of "Outerwear for Infants'" and "Infants' Underwear and Nightwear."
- g/ Other than cotton, only, and not comparable with earlier years.
- h/ Not comparable with earlier years.

TABLE IX

VALUE OF PRODUCTION FOR PRODUCT GROUPS, BY PRINCIPAL
PRODUCING STATES, 1929
(In Thousands)

Product Group	Total Value	Mass.	N. J.	N. Y.	Penna.	Ill.	Other States
Total	\$220,681	\$2,395	\$3,570	\$149,129	\$13,336	\$3,502	\$47,575
Boys' suits	34,334			23,310	307	1,326	3,391
Boys' play suits ^{a/}	15,362			3,415	2,020		10,427
Children's dresses	53,154	1,409		36,616	7,599	333	7,197
Children's coats	34,543		1,444	27,626	655	331	4,442
Children's suits	11,946	323	330	3,135	429		2,129
Children's raincoats)							
Other outerwear for)	5,623						5,623
children)							
Underwear and nightwear for children	10,330 ^{b/}		637	5,333			4,020
Infants' clothing	16,172 ^{c/}			13,659			2,215
Boys' blouses	7,307			5,962	1,211		634
Juniors' shirts	1,663						1,663
Boy's separate pants and knickers	16,023	663		3,551	921	722	5,171
Boy's overcoats and reefers	12,643		559	11,002	134	240	653

Source: Census of Manufacturers, "Men's Clothing," and "Women's Clothing." Includes only establishments whose products are valued at \$5,000 or more annually. The groups of items listed in this table are somewhat more inclusive than the Code definition.

^{a/} Classified as "Children's Play Suits" in Census of Manufacturers, 1929.

^{b/} Includes \$339,511 for all-cotton knitted fabrics, not broken down by states.

^{c/} Includes \$274,449 for all-rayon outerwear, not broken down by states.

TABLE X
VALUE OF PRODUCTION FOR PRODUCT GROUPS, BY PRINCIPAL
PRODUCING STATES, 1931
(In Thousands)

Product Group	United States	Mass.	N.J.	N.Y.	Penna.	Ill.	Other States
Total	\$152,229	\$2,714	\$1,990	\$106,110	\$13,202	\$1,542	\$26,365
Boys' suits	21,720			13,134	1,358	761	1,467
Boys' play suits	10,498			3,525	1,169		5,804
Children's dresses	37,588	755	1,024	25,397	6,866		3,546
Children's coats	20,283			19,023			1,265
Children's suits	11,022	514	762	6,905	775		2,066
Children's raincoats	487	165		127			195
Other outerwear for children	2,251	324		1,658			299
Underwear and nightwear for children	7,015			4,083	698	239	1,995
Infants' clothing	11,945		204	10,144	202		1,095
Boys' blouses	4,753			3,336	477		925
Juniors' shirts	1,766			1,242	241		283
Boys' separate coats	795			239			556
Boys' separate pants and knickers	15,142	617		7,617	828	545	5,832
Boys' overcoats and reefers	6,423	339		4,680	582		861
Boys' separate vests	156						156

Source: Census of Manufactures, "Men's Clothing," and "Women's Clothing." Includes only establishments whose products are valued at \$5,000 or more annually. The group of items listed in this table are somewhat more inclusive than the Code definition.

Although not strictly comparable with the above figures, Table XI, compiled by the Code Authority, gives an excellent indication of the geographical distribution of production in the Industry. It also shows the improvement in the business since the adoption of a Code. Total value of production in 1933 amounted to \$64,151,801 and sales for 1934 amounted to \$73,729,462.

TABLE XI
VOLUME AND VALUE OF PRODUCTS PRODUCED,
BY PRINCIPAL STATES, 1933 AND 1934

State	1933		1934	
	Volume (Units)	Value (Dollars)	Volume <u>a/</u> (Units)	Value <u>b/</u> (Dollars)
U. S. Total	106,268,886	64,151,801	104,474,324	73,729,462
California	479,216	490,325	442,821	610,729
Connecticut	864,144	324,663	674,214	278,393
Illinois	3,548,703	1,602,939	1,134,111	889,808
Indiana	111,240	560,269	286,155	390,589
Maryland	512,245	622,410	519,438	713,186
Massachusetts	1,190,457	836,443	1,043,775	912,574
Michigan	345,129	124,829	307,038	137,483
Minnesota	444,684	226,572	363,935	284,896
Mississippi	135,150	51,302	136,268	54,183
Missouri	580,490	663,280	407,752	637,254
New Jersey	6,732,606	2,664,535	6,043,401	3,065,848
New York	72,042,078	45,655,479	72,946,389	53,344,727
Ohio	167,371	176,037	120,213	184,678
Pennsylvania	17,283,649	9,043,631	18,480,036	11,139,755
South Carolina	1,831,764	183,969	578,678	187,286
Other States	99,649	113,878	80,454	134,385

Source: Code Authority Records.

a/ Units produced January to April 30, 1934; June to December 31, 1934.

b/ Sales reported from manufacturers for full year.

Advertising Media

Infants' and Children's Wear is advertised through the trade journals, by direct mail advertising, and through the consumer press such as magazines and newspapers. There are two magazines devoted to the product, Earnshaw's Infants' and Children's and Girls' Wear, and Infants' and Children's Review, that carry on considerable trade promotion work. In addition thereto, considerable promotional activity is achieved by trade-naming products after child movie stars and then photographing and extensively advertising these articles

CHAPTER V

TRADE PRACTICES

Practices Considered Unfair by Manufacturers

Prior to the Code the following practices were considered to be unfair by manufacturers: granting of large and what manufacturers considered excess discounts, unfair cancellations by buyers, memorandum sales, and the granting of advertising allowances.

The Code Authority's Chairman has stated that many of these practices were fostered by powerful buying groups who exerted undue pressure for concessions upon the small manufacturers who were unable to resist such pressure. The Code served to bolster up the small men and aided them in resisting these demands.

Unfair Practices Still Present in the Industry

Because of difficulties encountered in enforcement, since the retailers saw nothing inherently wrong or unfair in the practices, the returning of merchandise, making deductions for express charges, and exerting pressure for advertising allowances, still existed under the Code.

Dissemination of Practices Throughout the Industry

It is believed by the Chairman of the Code Authority that unfair trade practices became nationwide through the influence of large resident buyers in New York City. Since these buyers represent stores throughout the country, any concession they demand and obtain, e.g., advertising allowances, deduction for express charges, or any evasive practice that results in a price concession, tends to become the general practice.

CHAPTER VI

GENERAL INFORMATION

Trade Associations and Trade Unions

The following resume of a statement prepared by Mr. Zucherman and Mr. Baker of the association gives a history of trade associations and unions in the Industry.

A trade association of infants' and children's wear manufacturers was first formed in 1918 to establish better relations between manufacturers and retailers. It was known as the United Infants', Children's and Junior Wear League of America. It continued in existence until March of 1933, at which time the present association known as United Children's Wear Association was formed. The reason for the change was twofold: first, because it was found necessary to divorce from affiliation junior wear manufacturers; secondly, because of the fact that the whole association was allied in financial interests with other groups and the infants' and children's wear manufacturers felt that they would like to operate by themselves.

The present association has a membership of about 540 manufacturers located in all parts of the country. In point of dollar volume it represents in excess of 85 per cent of the total volume of business of the Infants' and Children's Wear Industry.

The association is divided into two parts; one deals with trade activities, promotions, and the interchange of business ideas; the other branch is concerned with the negotiating of collective agreements with labor. It is to be definitely borne in mind that manufacturers do not have to allow unionization within their plants in order to become members. Less than 50 per cent of the membership of the association are subject to collective agreements. The remaining firms operate open shops.

Other associations in the Industry are the Children's Dress Contractors Association and the Infants' and Children's Novelty Association. The former is an association located with its principal offices in New York. Its membership comprises contractors on children's dresses and sports wear located in the States of New York, New Jersey, Connecticut and some parts of Pennsylvania. This association has no direct affiliation or connection with the association of manufacturers. Its membership comprises about 140 contractors. The latter is located in New York and represents contractors of snow suits, ski suits and novelty items. Its membership is strictly local, and comprises about 55 contractors.

In 1916 a collective agreement existed between Children's Dress Manufacturers and the International Ladies' Garment Workers' Union. This collective agreement was dissolved two years later. There was no contractual relationship, in the form of a collective agreement existing between the Industry and labor until September, 1933, at which time an agreement was entered into on behalf of 100 manufacturers of children's dresses and leggings with the International Ladies Garment Workers' Union, Local 91. This agreement which is still in force and effect terminates September 25, 1935.

In addition, there is a collective agreement with the International Ladies Garment Workers' Union on behalf of Infants' and Children's Coat Manufacturers. This agreement which expired June 1, 1935 covered about 70 firms. There is also a collective agreement between 24 members of the Boys' Wash Suit Manufacturers and Amalgamated Clothing Workers Union, which expires on December 31, 1935. There are any number of firms who have independent agreements with labor, not only the International and the Amalgamated, but also with the United Garment Workers and with the Millinery Workers Union. These are strictly independent contracts. It is estimated that less than 40 per cent of the firms in this industry are operating under Union conditions.

The Industry Under the Code

Because the Code definitely assured members of the industry of a labor cost floor, it instilled confidence against destructive competition through price cutting.

Foreign Competition

Highly decorated and hand embroidered articles are produced considerably cheaper in China, Puerto Rico, and the Philippines than in this country. Thus the manufacture of this type of article has practically been eliminated in this country. Although the importation of other types of products is at present negligible the aforementioned places are important potential competitors for production of the goods.

The style factor not being so important in infants' and children's apparel as in adults apparel, manufacturers honestly believe and fear that any substantial reduction in labor costs in a given area, because of the price cutting which would follow, would rapidly bring wage cuts to other portions of the industry.

List of Experts

The following persons are familiar with conditions in the Infants' and Children's Wear Industry:

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